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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' FORTY-
EIGHTH OMNIBUS OBJECTION TO
CLAIMS (UNTIMELY CUSTOMER NO
LIABILITY CLAIMS)**

**Response Deadline:
December 29, 2020, 4:00 p.m. (PT)**

Hearing Information If Timely Response Made:

Date: January 12, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, the “**Debtors**” or as reorganized pursuant to the Plan (as
6 defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
7 **Cases**”) hereby submit this forty-eighth omnibus objection (the “**Objection**”) to the Proofs of Claim (as
8 defined below) identified in the column headed “Claims To Be Disallowed and Expunged” on
9 **Exhibit 1** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
18 **Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 Additional information regarding the circumstances leading to the commencement of the Chapter
27 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the
28 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
No. 263].

1 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
2 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
3 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
4 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
5 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
6 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
7 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
8 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
9 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
10 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**
11 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
12 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
13 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims
14 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

15 Pursuant to Paragraph 3(o) of the Bar Date Order, any Customer whose claim was limited
16 exclusively to ordinary and customary refunds, overpayments, billing credits, deposits, or similar billing
17 items was not required to file a Proof of Claim.

18 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
19 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
20 further modified, amended or supplemented from time to time, and together with any exhibits or
21 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
22 **Date**”). See Dkt. No. 8252.

23 **III. RELIEF REQUESTED**

24 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
25 Bankruptcy Rule 3007(d)(4), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*
26 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),
2 seeking entry of an order disallowing and expunging untimely Proofs of Claim filed by certain of the
3 Reorganized Debtors’ Customers that do not state a basis for the Claim and that were filed after the Bar
4 Date (the “**Untimely Customer No Liability Claims**”). The Untimely Customer No Liability Claims
5 are identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed and Expunged.”

6 As the Court is aware, in connection with the Bar Date Order, the Debtors served specially
7 tailored and customized notices of the Bar Date (the “**Customer Bar Date Notice**”) together with Proof
8 of Claim forms on all of the Utility’s nearly 6.2 million customers. *See* Dkt. No. 4687. The simpler
9 Customer Bar Date Notice made clear that Customers were not required to file Proofs of Claim for
10 ordinary and customary refunds, overpayments, billing credits, deposits, or similar billing items.

11 Each of the Untimely Customer No Liability Claims was filed by a Customer of the Utility,
12 however, after reviewing their books and records and the limited information submitted with the Proofs
13 of Claim, the Reorganized Debtors are unable to determine any liability or basis for the asserted Claims.
14 As set forth in the McWilliams Declaration, Part 2, Question 8 of the Court-approved Proof of Claim
15 form asks “What is the basis of the claim?” It lists several examples and instructs Claimants to attach
16 documents supporting the Claim as required by Bankruptcy Rule 3001(c). In most cases, the Untimely
17 Customer No Liability Claims do not provide an answer to this question, nor do they attach any relevant
18 supporting documentation. In some cases, the Untimely Customer No Liability Claims provide an
19 answer, but it is one of the examples provided (*e.g.*, “good[s] sold”) without additional explanation or
20 relevant supporting documentation. In other cases, the answer is filled out but does not provide a basis
21 for the Reorganized Debtors to analyze liability (*e.g.*, “?”, “don’t know,” “PGE bankruptcy,” or
22 “personal loss”). In these cases as well, no relevant supporting documentation was provided.

23 The Reorganized Debtors’ personnel conducted a rigorous review of their records to attempt to
24 determine any basis under which the Reorganized Debtors might be liable for the Untimely Customer
25 No Liability Claims. First, the Reorganized Debtors’ Billing Operations Department established that all
26 Claimants were current or former Customers of the Utility and confirmed that there were no outstanding
27 prepetition billing issues relating to these Customers. Second, the Reorganized Debtors’ Customer Fund
28 Management and Customer Energy Solutions Program Operations Departments cross-checked these

1 Claims against records maintained with respect to non-energy billing, security deposits, rebates, and
2 refunds and confirmed that they did not correspond to known prepetition claims. Third, the Reorganized
3 Debtors' Customer Relations Department cross-checked the Claims against complaints made to the
4 California Public Utilities Commission and these Claims have been excluded and are not the subject of
5 this Objection. Finally, the Reorganized Debtors and their professionals checked Claimants' names
6 against parties with known litigation claims, Fire Victim Claims, and other property damage claims.
7 Any matches have been excluded and are not the subject of this Objection.

8 In addition, as indicated by the dates identified in the column headed "Date Filed" on Exhibit 1,
9 each of the Untimely Customer No Liability Claims was filed after the General Bar Date (with no
10 applicable exception under the Bar Date Order that may render such Claim timely) and none of the
11 Claimants have sought or obtained relief from the Court pursuant to Rule 9006 of the Bankruptcy Rules
12 to file a late Proof of Claim. Accordingly, in addition to the Debtors not being liable for the amounts
13 sought, the Untimely Customer No Liability Claims should be disallowed and/or expunged as untimely
14 as well.

15 In accordance with the Bar Date Order, to the extent it is later determined that any of the Untimely
16 Customer No Liability Claims represent Customer claims limited exclusively to ordinary and customary
17 refunds, overpayments, billing credits, deposits, or similar billing items such matters will be resolved in
18 the ordinary course, and the disallowance and expungement of Untimely Customer No Liability Claims
19 as requested here will not preclude such ordinary course customer claims.

20 **IV. ARGUMENT**

21 **A. The Untimely Customer No Liability Claims Should Be Disallowed** 22 **and Expunged**

23 Bankruptcy Rule 3007(d) states that a debtor may object on an omnibus basis to claims that "were
24 not timely filed" and that "were presented in a form that does not comply with applicable rules, and the
25 objection states that the objector is unable to determine the validity of the claim because of the
26 noncompliance" Fed. R. Bankr. P. 3007(d)(4), (d)(6). The Omnibus Objections Procedures Order
27 supplemented Bankruptcy Rule 3007(d) to permit the Reorganized Debtors to file objections to more
28 than one claim if "[t]he claims do not comply with the requirements for a proof of claim in that they lack

1 required information or documents necessary to establish prima facie evidence of the claims' validity,
2 the Debtors have no other information to support the claims' validity, and the Debtors deny liability on
3 that basis." Omnibus Objections Procedures Order, ¶2(C)(iv). The Reorganized Debtors and their
4 professionals have reviewed their books and records and each of the Untimely Customer No Liability
5 Claims identified on Exhibit 1 and are unable to determine any liability or basis for the asserted Claims
6 and/or they do not provide sufficient information or supporting documents to establish prima facie (or
7 any) evidence of their validity. This Court previously has ruled against debtors arguing that a claim
8 providing insufficient documentation was in and of itself subject to disallowance. *See Heath v. Am.*
9 *Express Travel Related Servs. Co. (In re Heath)*, 331 B.R. 424 (B.A.P. 9th Cir. 2005) (Montali, J.);
10 *Campbell v. Verizon Wireless S-CA (In re Campbell)*, 336 B.R. 430 (B.A.P. 9th Cir. 2005) (Montali, J.).
11 Rather than simply arguing that the Untimely Customer No Liability Claims are subject to disallowance
12 because they do not provide any evidentiary support, the Reorganized Debtors and their professionals
13 have conducted the detailed analysis described above to attempt to discern the basis on which the
14 Untimely Customer No Liability Claims assert liability, to no avail. Accordingly, the Reorganized
15 Debtors have no choice but to deny liability with respect to the Untimely Customer No Liability Claims
16 because there is no additional research that can be conducted that might yield a basis for liability.
17 Furthermore, as described above, the Reorganized Debtors have established that each of the Untimely
18 No Liability Claims is also untimely under the Bar Date Order and should be disallowed in its entirety
19 pursuant to section 502(b)(9) of the Bankruptcy Code.

20 Each of the Claimants is listed alphabetically, and the claim number and amount are identified
21 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections
22 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of
23 the Untimely Customer No Liability Claims.

24 **B. The Claimants Bear the Burden of Proof**

25 A filed proof of claim is "deemed allowed, unless a party in interest . . . objects." 11 U.S.C.
26 § 502(a).² Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim

27 ² On November 17, 2020, the Court entered the *Order Extending Deadline for the Reorganized Debtors*
28 *to Object to Claims* [Docket No. 9563], which extended the deadline under Section 7.1 of the Plan for
the Reorganized Debtors to bring objections to Claims through and including June 26, 2021 (except for

1 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under
2 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to
3 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”
4 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
5 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the
6 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
7 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
8 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.
9 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
10 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
11 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*
12 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

13 As set forth above, the Reorganized Debtors submit that the Untimely Customer No Liability
14 Claims do not comply with the requirements for a proof of claim in that they lack required information
15 or documents necessary to establish prima facie evidence of the Claims’ validity. The Reorganized
16 Debtors have been unable to locate any information that would support the Claims’ validity, and
17 therefore deny liability. In addition, each such Claim was untimely and filed after the passage of the
18 General Bar Date. Therefore, the Untimely Customer No Liability Claims should be disallowed and/or
19 expunged in their entirety. If any Claimant believes that an Untimely Customer No Liability Claim is
20 valid, it must present affirmative evidence demonstrating the validity of that claim.

21 **V. RESERVATION OF RIGHTS**

22 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
23 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this
24 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs
25 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,
26 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to
27

claims of the United States which deadline was extended to March 31, 2021), without prejudice to the
28 right of the Reorganized Debtors seek further extensions thereof.

1 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the
2 grounds of objection specified herein be overruled or withdrawn, wholly or in part, the Reorganized
3 Debtors reserve the right to object to the Untimely Customer No Liability Claims on any other grounds
4 that the Reorganized Debtors may discover or deem appropriate.

5 **VI. NOTICE**

6 Notice of this Objection will be provided to (i) holders of the Untimely Customer No Liability
7 Claims; (ii) the Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy
8 Laffredi, Esq.); (iii) counsel to the Creditors Committee; (iv) counsel to Tort Claimants Committee;
9 (v) all counsel and parties receiving electronic notice through the Court's electronic case filing system;
10 and (vi) those persons who have formally appeared in these Chapter 11 Cases and requested service
11 pursuant to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice
12 is required. No previous request for the relief sought herein has been made by the Reorganized Debtors
13 to this or any other Court.

14 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
15 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
16 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other
17 and further relief as the Court may deem just and appropriate.

18 Dated: December 3, 2020

KELLER BENVENUTTI KIM LLP

19 By: /s/ Peter J. Benvenuti
20 Peter J. Benvenuti

21 *Attorneys for Debtors and Reorganized Debtors*